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SENSITIVE
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STATE PLEASE PASS TO OPIC - DEBRA ERB
STATE ALSO FOR EUR/NCE VALDA VIKMANIS-KELLER

E.O. 12958: N/A
TAGS: [EINV](#) [EFN](#) [BU](#)
SUBJECT: APPLICATION FOR OPIC FINANCE: CREDIA-DIRECT
BULGARIA PROJECT

REF: STATE 57225

1. (SBU) Per reftel, Post has no derogatory information on Credia Direct Bulgaria, CreditLand, Moite Pari, FinZoom or on the principal investor and senior manager Deyan Stoikov Vassilev (or Vassilev). Our Economic Specialist knows Mr. Vassilev from their days at the American University in Bulgaria (AUBG), where Mr. Vassilev ran the student government. According to our Economic Specialist, Mr. Vassilev was a decent and entrepreneurial person who made a good start with the Moite Pari (my money in Bulgarian), advising all types of financial lending. He was a pioneer in that Motie Pari was ahead of many other specialized financial sites in Bulgaria.

2. (SBU) Sound economic performance (over the last several years averaging five percent) political stability, and EU membership have enhanced Bulgaria's ability to attract respected international investors. However, with 45 percent of investment in 2007 in construction and real estate -- two non-productive, non-export sectors -- there is some question about the quality/efficiency of the new investment stock. Lending for real estate is risky at present given Bulgaria's high inflation and growing current-account deficit (over 20 percent of GDP in 2007). Problems that American investors encounter in Bulgaria include: corruption, sluggish government bureaucracy; poor infrastructure; frequent changes in the legal framework; low domestic purchasing power; and protracted privatization processes. A weak judicial system limits investor confidence in the courts' ability to enforce ownership and shareholders rights, contracts, and intellectual property rights. The Bulgarian National Bank (BNB) website's English language edition lists Bulgaria's entire legal framework that includes laws relevant to OPIC's interests. The website is <http://www.bnb.bg> and has a link to its English language version.

Beyrle